

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**  
Sorrento, Louisiana

**FINANCIAL STATEMENTS**

December 31, 2010

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate, at the office of the parish clerk of court.

Release Date JUN 06 2012

**FAULK & WINKLER, LLC**  
Certified Public Accountants • Business Advisors

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**  
Sorrento, Louisiana

**FINANCIAL STATEMENTS**

December 31, 2010

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**  
Sorrento, Louisiana

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
River Parishes Community College Foundation, Inc.  
Sorrento, Louisiana

We have audited the accompanying statement of financial position of the **RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.** (the Foundation) (a nonprofit organization) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the Foundation's 2009 reviewed financial statements and, in our report dated August 10, 2011, we stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with generally accepted accounting principles. All information included in these financial statements is the representation of management of the Foundation.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Faulk & Winkler LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
August 10, 2011

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**

Sorrento, Louisiana

**STATEMENT OF FINANCIAL POSITION**

December 31, 2010

(With comparative amounts for 2009)

	<b>ASSETS</b>	
	<b>2010</b>	<b>(Reviewed) 2009</b>
<b>CURRENT</b>		
Cash	\$ 71,688	\$ 38,677
Investments	66,802	55,830
Pledge receivable	20,000	2,300
Total current assets	158,490	96,807
<b>RESTRICTED ASSETS</b>		
Cash	10,538	5,573
Investments	317,223	295,437
Total restricted assets	327,761	301,010
Total assets	\$ 486,251	\$ 397,817
	<b>NET ASSETS</b>	
<b>NET ASSETS</b>		
Unrestricted	138,490	96,807
Temporarily restricted	47,761	1,010
Permanently restricted	300,000	300,000
Total net assets	\$ 486,251	\$ 397,817

The accompanying notes to financial statements  
are an integral part of this statement

# RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.

Sorrento, Louisiana

## STATEMENT OF ACTIVITIES

For the year ended December 31, 2010  
(With comparative amounts for 2009)

				Totals	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2010	(Reviewed) 2009
<b>REVENUE AND SUPPORT</b>					
Golf tournament	\$ 17,580	\$ -	\$ -	\$ 17,580	\$ 19,716
Scholarship donations	-	18,000	-	18,000	15,900
General donations	37,965	40,000	-	77,965	2,000
Membership dues	-	-	-	-	1,200
Investment income (loss):					
Dividend and interest	463	7,581	-	8,044	9,713
Realized gain (loss)	-	11,068	-	11,068	(60,309)
Unrealized gain	-	8,102	-	8,102	100,173
Total support	56,008	84,751	-	140,759	88,393
Net assets released from restrictions:					
Satisfaction of purpose restrictions	38,000	(38,000)	-	-	-
Total support and net assets released from restrictions	94,008	46,751	-	140,759	88,393
<b>EXPENSES</b>					
Program:					
Scholarships	21,875	-	-	21,875	24,400
Non-scholarship	19,873	-	-	19,873	-
Fundraising:					
Golf tournament	5,729	-	-	5,729	5,068
General and administrative	4,848	-	-	4,848	3,290
Total expenses	52,325	-	-	52,325	32,758
Increase in net assets	41,683	46,751	-	88,434	55,635
<b>NET ASSETS</b>					
Beginning of year	96,807	1,010	300,000	397,817	342,182
End of year	\$ 138,490	\$ 47,761	\$ 300,000	\$ 486,251	\$ 397,817

The accompanying notes to financial statements  
are an integral part of this statement.

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**

Sorrento, Louisiana

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2010

(With comparative amounts for 2009)

	<b>2010</b>	<b>(Reviewed) 2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 88,434	\$ 55,635
Adjustments for non-cash items:		
Unrealized investment loss	(8,102)	(100,173)
Realized investment gain (loss)	(11,068)	60,309
Change in operating assets and liabilities:		
Change in amount due from River Parishes Community College	-	26,620
Pledge and accounts receivable	(17,700)	(1,300)
Net cash provided by operating activities	<u>51,564</u>	<u>41,091</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	121,552	301,395
Purchases of investments	<u>(140,105)</u>	<u>(311,108)</u>
Net cash used by investing activities	<u>(18,553)</u>	<u>(9,713)</u>
Net increase in cash	33,011	31,378
<b>CASH</b>		
Beginning of year	<u>38,677</u>	<u>7,299</u>
End of year	<u>\$ 71,688</u>	<u>\$ 38,677</u>

The accompanying notes to financial statements  
are an integral part of this statement

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**  
Sorrento, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities**

The River Parishes Community College Foundation, Inc. (the Foundation) is a non-profit corporation which was organized to promote the educational and cultural welfare of the River Parishes Community College (the College), by accepting contributions for the purpose of providing broader educational advantages and scholarships and aiding research or other designated projects for the benefit of the College.

**Basis of presentation**

The Foundation prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The statement of activities presents expenses of the Foundation's operations functionally by program, fundraising, and management and general.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are primarily used when accounting for depreciation and the allocation of fundraising expenses. Actual results could differ from those estimates.

**Revenue recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted revenues, depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received are classified as permanently



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue recognition (continued)**

restricted if the donor stipulates that the contribution be maintained in perpetuity. The income earned from permanently restricted investments may be used for a specified purpose or may be unrestricted, depending on the donor's designation of the earnings.

**Cash and cash equivalents**

For purposes of the statements of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less. There are no cash equivalents at December 31, 2010.

**Investment valuation and income recognition**

Financial Accounting Standards Board's ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs (sources of pricing information) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

Investment income includes dividends and interest earned on investments, the realized net gain and/or loss from trade of investments, and net unrealized gain and/or loss resulting from market value fluctuations of investments held at year-end relative to cost. Investment earnings are recorded net of related expense of \$3,712.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair value of financial instruments**

Unless otherwise indicated, the carrying value of assets and liabilities approximate fair value due to the short-term maturity of these instruments.

**Income taxes**

The Foundation has been recognized by the Internal Revenue Service as a not-for-profit organization as described in section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Foundation has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management of the Foundation believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax issues.

**NOTE 2 - INVESTMENTS**

Investments at December 31, 2010, are as follows:

	<u>Market Value</u>	<u>Cost</u>
Mutual funds	\$ 317,223	\$ 268,962
Certificates of deposit	56,293	55,830
Baton Rouge Area Foundation	<u>10,509</u>	<u>10,550</u>
	<u>\$ 384,025</u>	<u>\$ 335,342</u>

As of December 31, 2010 the fair value hierarchy of the Foundation's investments was as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 317,223	\$ -	\$ -	\$ 317,223
Certificates of deposit	-	56,293	-	56,293
Baton Rouge Area Foundation	<u>6,800</u>	<u>388</u>	<u>3,321</u>	<u>10,509</u>
	<u>\$ 324,023</u>	<u>\$ 56,681</u>	<u>\$ 3,321</u>	<u>\$ 384,025</u>

**NOTE 2 - INVESTMENTS (CONTINUED)**

The change in fair value of the Foundation's level 3 assets for 2010 were as follows:

	<u>Baton Rouge Area Foundation</u>
Balance, beginning of year	\$ -
Contributions	3,334
Unrealized loss	<u>(13)</u>
Balance, end of year	<u>\$ 3,321</u>

**NOTE 3 - PLEDGE RECEIVABLE**

Unconditional pledge receivable at December 31, 2010, consisted of \$20,000, which is receivable in equal installments of \$10,000 over the next two years.

The long-term pledge has not been discounted to net present value because such discount is immaterial.

**NOTE 4 - NET ASSETS**

Temporarily restricted net assets at December 31, 2010 were as follows.

	<u>Amount</u>
Scholarships-handicapped students	\$ 27,761
Pledge receivable	<u>20,000</u>
Total	<u>\$ 47,761</u>

Permanently restricted assets consist of the Solomon B. Acy Scholarship Fund. The earnings from the endowment fund can be used to award scholarships and financial aid to handicapped students for tuition, books, supplies, room, board, medical expenses and related physical equipment and technical devices.

The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

**NOTE 4 - NET ASSETS (CONTINUED)**

The endowment net assets had activity during 2010 as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,010	\$ 300,000	\$ 301,010
Dividend and interest	7,581	-	7,581
Realized gain	11,068	-	11,068
Unrealized gain	<u>8,102</u>	<u>-</u>	<u>8,102</u>
 Endowment net assets, end of year	 <u>\$ 27,761</u>	 <u>\$ 300,000</u>	 <u>\$ 327,761</u>

**NOTE 5 - DONATED SERVICES**

No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant services to the Foundation's programs.

The College funds the expense of personnel, equipment and office facilities to the Foundation for its use at no charge.

**NOTE 6 - SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through August 10, 2011, the date the financial statements were available to be issued.